

Chapter 3 • Appraisal of External Environment

POTENTIAL CHANGES IN ECONOMY THAT CAN AFFECT CLIENTS' NEEDS

More Demand for Public Health Care Assistance

Inflationary pressure has forced employers to reduce health care coverage for employees. The cost to the health care industry cannot sustain the growing number of uninsured individuals.

Without fundamental changes in the health care delivery and payment systems, Medicaid and state-funded medical, mental health and substance abuse prevention and treatment programs will continue to see growth in costs and caseloads. The largest segment of the Medicaid population, children, may grow by 6.6% per year in FY2005-2007, 3% in FY2007-2009, and 2% in FY2009-2011.

Children Have Higher Risks in Unemployed Families

Parental unemployment has been linked to increases in child abuse and neglect. According to a policy brief issued in July 2005 by the Human Services Policy Center at the Evans School of Public Affairs, University of Washington, one in ten Washington children experience multiple risks that threaten their well-being.

In 2003, 35% of children in Washington lived in homes where no adult had year-round, full-time employment. The expected employment growth in 2006 (2.1%) and 2007 (1.8%) should have a positive impact to children's safety and well-being.

More People in Need of Food and General Assistance

Even with an economy on the rise, many low-income families still need basic supports such as food and general assistance. Washington's Basic Food caseload increased almost 74% between 2001 and 2005. However, 45% of those who may be eligible do not receive benefits. We continue to expand our outreach efforts to help these families.

The State's General Assistance caseload has increased 43% since 2001. This growth may be attributed to a combination of factors. These factors include economic conditions, high unemployment, population growth and aging, increased homelessness, cuts in other services, and restrictions on federal aid for some legal immigrant populations.

TRENDS IN DEMOGRAPHIC AND CUSTOMER CHARACTERISTICS

Aging Population Requires More Long-Term Care Services

In general, the "Baby Boomer" generation is not only experiencing the impact of parent care responsibilities but also beginning to look for ways to meet their own long-term care

needs. The Office of Financial Management forecasts rapid growth in population aged 65 and older:

- Year 2004: 696,555
- Year 2010: 812,200
- Year 2020: 1.2 Million
- Year 2030: 1.6 Million

A growing number of individuals needing long-term care come from correctional facilities, the Special Commitment Center, or other parts of the judicial system. We need to provide specialized services to these individuals for their needs and civil rights while also protecting the communities and others who live with them.

WorkFirst Child-Only Cases Continue to Grow

In Washington State's WorkFirst program, child-only cases rose from 18.5% of the 15,540 total cases in FY1998 to about 39% of the 21,100 total cases in FY2005.

Among the majority (91%) of these child-only cases, 45% have a relative or kinship caregiver, 23% have a disabled parent who is receiving federal disability benefits, and 23% have an undocumented immigrant parent who is not eligible for assistance.

Changing Demographics of Immigrant Population

Increasing numbers of refugees and immigrants are arriving from East Africa, Eastern Europe, and Russia. Over 40% of the people receiving Refugee Cash Assistance in FY2005 came from East Africa, 28% from Eastern Europe, and 13% from Russia.

Many of these immigrants have low levels of education and English proficiency, which presents significant barriers to self-sufficiency. The statutory requirement of providing translations in seven primary languages (currently Chinese, Vietnamese, Laotian, Cambodian, Spanish, Korean, and Russian) no longer reflects the major demographics of the new immigrants.

Increased Acuity and Complexity of Service Needs of Juvenile Offenders

The county juvenile courts commit the most serious offenders in Washington to the Juvenile Rehabilitation Administration. About 70% of youth have received services from one or more other DSHS programs. Over 60% of youth have two or more acute disorders.

Acute Disorder	Youth Under Parole Supervision	Youth Under Residential Care
Chemical Dependency	60%	66%
Mental Health	53%	62%
Cognitive Impairment	39%	37%
Sexual Offending	39%	21%
Medical Fragility	1%	1%

In the last six years, the percent of youth identified as Mental Health Target Population increased from 40% to 62%. In addition to having mental health disorders, 90% of them have one, two or three additional service needs related to other acute disorders.

New Service Delivery Options to Help Vocational Rehabilitation Clients

In recent years, more vocational rehabilitation clients have mental illness as a primary or secondary disability. In addition, the overall population in Washington is aging and there are more individuals living in poverty. DVR has been less successful helping these clients with these issues achieve employment outcomes. Partnerships with other organizations become even more important now in order to expand new service delivery options.

ACTIVITIES LINK TO MAJOR PARTNERS

Partnerships for Evidence-Based Practices

DSHS works closely with the Health Care Authority and the Department of Labor and Industry to develop evidence-based health care practices. To enhance the adolescent substance abuse treatment system, we also work with a full range of state and local agencies, treatment providers, and youth advocates to foster cross-system planning, needs assessment, and integrated training regarding evidence-based practices.

A Broad Statewide Coalition to Strengthen Child Welfare System

Catalyst for Kids, the next evolution of the Families for Kids Partnership, retains an emphasis on permanence for children in the foster care system. It also broadens its focus to include the safety and well-being of children in the system. Participants include a broad range of stakeholders, including judges, legislators, tribal representatives, and advocates.

Integration Models to Enhance Children and Families' Outcomes

The Families and Communities Together projects in Spokane and Whatcom Counties have shown the positive effect of a comprehensive community network and seamless system of supports and resources for needy families and children. However, expansion and replication of these models will require allocated resources.

Meeting Children and Youth's Mental Health Needs

The Children's Mental Health Initiative, sponsored by the Children's Administration, Juvenile Rehabilitation Administration and Mental Health Division, is using a new approach to coordinate, manage, and finance care for children and youth with complex mental health needs. This model connects families and stakeholders through ongoing planning.

Helping People with Disabilities Find Jobs

DSHS works with a variety of partners to increase employment opportunities for individuals with disabilities. These partners include WorkSource Centers, State Rehabilitation Council, State Independent Coordinating Council, Centers for Independent Living, public colleges, Office of Superintendent of Public Instruction, and local providers.

These partnerships are critical in planning, policy making, developing new strategies, increasing capacity in underserved areas, creating new service delivery options, and maximizing the use of available resources.

Expedited Medical Benefits for Persons with Mental Illness Released from Confinement

In collaboration with county jails, law enforcement, the Department of Corrections, Regional Support Networks, and the Social Security Administration, DSHS began expedited medical eligibility determinations in January 2006 in areas of the state with large prison and jail populations. Research indicates that 15% to 20% of individuals being released from a correctional facility have a serious mental disorder that requires medications and medical treatment.

Contracts and Cooperative Agreements with Tribes for WorkFirst Services

DSHS and three other state agencies entered into agreements with a diverse base of contractors, including community-based organizations, local governments, and Tribes, for the delivery of WorkFirst services. The Upper Skagit Tribe and Lummi Nation Tribe are currently contracting with DSHS under the collaborative process.

The three other state agencies are the Employment Security Department, Department of Community, Trade and Economic Development, and State Board for Community and Technical Colleges.

Service Partners Provide Care and Therapy to Youth in Parole

The Juvenile Rehabilitation Administration works with Regional Support Networks to ensure continuity of mental health care for youth transitioning from juvenile residential care to parole aftercare. For youth with chemical dependency issues, the Division of Alcohol and Substance Abuse works to connect them with community-based chemical dependency treatment.

The University of Washington also trains providers to deliver multi-systemic therapy, motivational enhancement therapy and dialectical behavior therapy to youth and families. The therapy starts two months before youth leave residential care and continues for four to six months in the community.

STAKEHOLDER INPUT

Demanding Health Care Access and Additional Providers

A health care stakeholder survey in December 2005 revealed substantial concern about access to health care. The respondents expressed interest in prevention programs, incentives to encourage healthy behaviors, and evidence-based practices.

Many respondents also agreed that the best way to expand partnerships with health care providers would be to let them participate in decision-making. All categories of respondents support increasing provider rates, recruiting additional providers, and narrowing the benefit packages.

Building a Strong Foundation for Children and Family Services

In February 2006, the Boeing Lean Team facilitated a legislative work session with the House Children and Family Services Committee. The purpose was to solicit policy guidance around the foundational priority, creating a new practice model, and the child protective services and child welfare services redesign.

House members discussed the need to integrate policy with a clinical aspect of practice that empowers social workers and generates culture change. They agreed there is a need for change in the staff skill set, the organizational framework, and the services offered to children and families.

Supporting Youth's Integrated Treatment Model and Family-Focused Aftercare

Stakeholders recognized the need for involvement of families in youth's rehabilitation process, particularly as youth transition back to home communities. They supported the Integrated Treatment Model and use of research-based interventions.

They viewed the shift to family focused aftercare from offender focused aftercare as an important development. Many families have voiced their support of the Functional Family Parole model. The services to these families created very positive communication and change within their homes.

FUTURE CHALLENGES AND OPPORTUNITIES

Rapid Growth in Service Costs Stretches Service Capacity

As federal policymakers reduce participation in Medicaid funding, the state's share of the Medicaid costs continues to rise as much as \$500 million a biennium. New unfunded mandates, such as a requirement to pay for pharmacy benefits for dual-eligible clients with the Medicare Part D benefit, have also imposed new financial burdens.

Medicaid provider rates are at the bottom of the health-care industry and are approaching a break point in which prospective doctors and hospitals will openly seek alternatives to Medicaid contracts. We must seize any possible opportunity to boost provider rates and retain strong primary and specialist representation in provider ranks.

In addition, federal grants to states for all programs other than Medicaid will likely decline by 4.5% in each of the coming years. These reductions will stretch the state's ability to provide services for child welfare, child care, adult protective services, special services for people with disabilities, and nutrition programs.

Pressures on Long-Term Care Programs

Unionized individual care providers and home care workers serve about 30% of long-term care clients and persons with developmental disabilities. Collective bargaining has resulted in improved wages and improved work conditions. It has also put pressure on the cost of care.

These upward cost pressures have increased the average cost of an in-home client from 25% to 33% of the average nursing home cost. Policymakers will need to balance the

needed improvements in in-home programs with needed improvements in other parts of the Long-Term Care system.

Because of the expected impact of the aging of the Baby Boomer generation, the federal government is looking at pilot projects to encourage individuals to plan for their own long-term care needs rather than relying on government programs. In Washington State, policymakers have addressed concerns about the state's ability to fund long-term care programs into the future. They have established a Long-Term Care Task Force to look at alternative financing models.

Transformation of Mental Health Services

After receiving a grant from the federal Substance Abuse and Mental Health Services Administration, DSHS has been spearheading a broad campaign to transform mental health services and the delivery systems across all government programs. The key components of this project are increasing consumer driven services and increasing use of evidence-based mental health care.

Another 5-year transformation grant project "Partnerships for Recovery and Resiliency" will develop an inventory of state services and mental health needs. This project can support the upgrade of the state mental health delivery systems as models for other states.

Proactive Portfolio Management to Prioritize Children and Family Services

The number of critical initiatives in the Children's Administration makes it imperative that we move from a reactive to a proactive approach so that we can implement change successfully. Portfolio management process enables staff to track projects, align them with strategic priorities, and determine how they fit into a prioritized schedule.

Disproportionate Minority Youth in Confinement

Disproportionate Minority Confinement in correctional facilities is a national phenomenon in both juvenile and adult justice systems. Statewide, youth of color account for 24% of juvenile population. But 44% of the youth under our supervision are of color – almost double the proportion of the minority youth in the community.

The first challenge is to meet the needs of these youth and their families in ways that are relevant within the context of their cultural perspectives. The Juvenile Rehabilitation Administration is implementing a strength-based service model to build upon the strengths of people in context with their ethnic, cultural, and community values and expectations.

The second challenge is to reduce the disproportion by mobilizing targeted communities so they can facilitate grass roots involvement and remove the "feeder system" of youth offenses. We are planning to invest in innovative projects and programs to positively engage communities with youth, and youth with communities.

Setting High Standards in Sex Offenders' Forensic Evaluations

RCW 71.09 requires that each civilly-committed sex offender resident be evaluated annually. Although the Special Commitment Center has set a target to reduce backlog of

uncompleted evaluations to zero by December 2006, the ability to meet this target depends on staff retention and recruitment.

Keeping up with the increasing workload (24 to 36 additions each year) will require hiring about one additional evaluator each year for the foreseeable future. This will also give us the opportunity to set high standards in the field of evaluations of sex offenders.